

REMARKS

SPECIFICATION

Applicant notes that the specification has been amended to include the paragraph: “Examples of rewards include, but are not limited to, a monetary award, or a product and/or service being promoted in the content.” This paragraph is supported by original Claims 23 and 24.

CLAIMS

Claims 1, 9-12, 17-18, 22, 44-47, 71, 73-74, 76, 78, and 80-142 are now pending in the application. Claims 1, 4, 86, 99, 112, 125, and 139 are the independent claims.

Rejections Addressed

In the Office Action, the Examiner indicated that the declaration filed on 12/08/2004 under 37 C.F.R. 1.131 has been considered but is ineffective to overcome the Candelore reference. Applicant will submit a new 131 declaration in response to the Examiner’s request for additional support. This is further explained in the section below entitled “Claims 1-85 and 138”.

The Office Action rejected Claims 1, 9-12, 17-18, 22, 44-47, 71, 73-74, 76, 78, and 80-85 under 35 U.S.C. 112. The claims have been amended and this rejection is addressed in the section below entitled “Claims 1-85 and 138”.

The Office Action also rejected Claims 1, 9-19, 17-18, 22, 44-47, 71, 73, 74, 76, 78, 80-90, 92-103, and 105-137 under 35 U.S.C. 103(a) as being unpatentable over Candelore in view of Alexander. Applicant has addressed this rejection with respect to Claims 1, 9-19, 17-18, 22, 44-47, 71, 73, 74, 76, 78, and 80-85 in the section below entitled “Claims 1-85 and 138”. Applicant has addressed this rejection with respect to Claims 86-90, 92-103, and

105-111 in the section below entitled "Claims 86-111". Applicant has addressed this rejection with respect to Claims 112-137 in the section below entitled "Claims 112-137".

The Office Action rejected Claims 91 and 104 under 35 U.S.C. 103(a) as being unpatentable over Candelore, Alexander, and Broadwin. Applicant has addressed this rejection in the section below entitled "Claims 139-142".

Claims 1-85, and 138

The Examiner indicated that the declaration filed on 12/08/2004 under 37 C.F.R. 1.131 was ineffective to overcome the Candelore or Eldering references. Applicant has amended this declaration (which will be submitted at a later date) to provide additional evidence of due diligence to overcome the Examiner's objections. If the declaration successfully overcomes Candelore and Eldering, it is not necessary to overcome Alexander and Broadwin, because without Candelore, Alexander and Broadwin alone neither anticipate nor render obvious the current claims. In fact, in the Office Action, by including Candelore as a reference for all of the claims, the Examiner implicitly agreed that Candelore is necessary to anticipate or render obvious all of the claims.

As explained above, with respect to the new 131 declaration, Applicants believe that amended independent Claims 1 and 44 are allowable. Claims 1-85, and 138 are either cancelled, or depend, either directly or indirectly on Claims 1 or 44, and are thus also allowable.

Applicant has also amended Claims 1-85 to address the Examiner's 35 U.S.C. 112 concerns. The phrase "and the customized advertising" has been deleted from the claims, and advertising has been added as a subset of content (see Claim 138). With respect to the Examiner's comments regarding an agreement reached to amend the claims because the specification only supports one type of content being received and displayed at a given time

(either video content (movie) or a video advertisement (infomercial)), Applicant disagrees. An agreement was reached merely to clarify the claims in order to expedite allowance of the claims.

Claims 86-111

Claims 86 and 99 include the feature of a non-rebate cash reward. This feature, which is supported in the application (see, *e.g.*, original Claim 41 and the current amendment to the specification), is not disclosed in the prior art, and is thus allowable. In the Office Action, with respect to Claim 22, the Examiner indicated that Candelore “discloses providing a monetary award to the viewer”, citing column 9, lines 7-14 of Candelore. This section of Candelore states: “Typically, coupon credit is generated when the preconditions for obtaining the digital coupon credit are realized. The coupon credit balance can be immediately adjusted. As an illustration, assume the initial credit balance is \$40, and each PPV program costs \$5. Then, the credit balance will drop successively to \$35, \$30, \$25, \$20, and \$15 after the first five programs are purchased. At this time, the usage pattern data meets the preconditions of the digital coupon information, and the coupon credit balance gets incremented by one.” This coupon credit is a type of rebate, and is very different from a non-rebate cash reward. A cash award is much more valuable than a coupon or rebate. Furthermore, a system that pays users cash to watch advertisements or other content is novel and unique. Thus, Claims 86 and 99 are patentable over Candelore. Claims 87-98 and 100-111 are dependent on Claims 86 or 99, and are thus also allowable.

Claim 112-137

Claims 112 and 125 include the feature of a reward in the form of a product or service displayed in the content. With respect to Claims 112 and 125, the Examiner indicated that

these claims were rejected based on the combination of Candelore and Alexander. Specifically, the Examiner indicated that Claims 112 and 125 were rejected for the same reasons that a series of other claims were rejected. The other claims were rejected based on numerous sections of Candelore and Alexander. For Candelore, the following sections were cited: column 3, lines 40-49; Figure 1; column 6, lines 17-26; column 6, lines 35-36; column 4, lines 30-37, Figure 7B, column 2, lines 4-9; Column 11, lines 41-67; Column 12, lines 1-56; column 9, lines 7-14; and column 4, lines 16-30. For Alexander, the following sections were cited: Figure 1; column 32, lines 23-67; columns 33-34, lines 1-67; column 2, lines 20-21, column 29, lines 14-21; column 30, lines 53-58; column 8, lines 66-67; and column 9, line 1. Applicant has examined these sections of Candelore and Alexander, but has not found any mention of a reward that is in the form of a product or service displayed in the content. Candelore discusses providing a reward that gives content for free or a gives a discount on the content. Alexander discusses displaying ads based upon the content of a television program that a viewer was watching immediately before entering a electronic program guide. However, neither Candelore nor Alexander disclose providing a reward in the form of a product or service displayed in the content. Thus, this feature, which is supported in the application (see, e.g., original claims 23-24 and the current amendment to the specification) is allowable. Claims 113-124 and Claims 126-137 are dependent on Claims 112 or 125, and are thus also allowable.

Claims 139-142

Newly added Claims 139-142 include the feature of the reward comprising entering the viewer into a contest. These claims are supported in the application as follows: Claim 139, 141, and 142 are supported by page 22, line 18 to page 23, line 13. Claim 140 is supported on page 12, lines 13-15.

Applicant notes that original Claims 21 and 40 were previously allowed, and relate to

this subject matter, and that the Examiner has indicated that Candelore and Alexander fail to teach a reward that includes a right for a reward recipient to enter into a sweepstakes or contest. Although the Examiner has recently indicated that Broadwin (U.S. Patent 5,929,850) discloses a system that provides advertising in the form of an entry form for a sweepstakes or contest, Broadwin is inappropriate prior art because Broadwin teaches away from the present invention. Broadwin discloses displaying still video image ads related to video content. In contrast, Applicant's invention is directed to non-still video image ads. In fact, Applicant's specification states that "Incentives have been provided for performing different activities using the two-way communication model. For example, some Internet companies provide rewards by offering free Internet provider services to users who allow static advertising messages to be displayed while accessing their web site. . . . However, these advertisements are generally static digital images, as opposed to motion picture content such as television programs or commercials." (See page 3, lines 7-17.)

In addition, the Examiner cites column 18, lines 57-64 of Broadwin, which states: "FIG. 19 illustrates an example where an MPEG still image is used to provide advertising and/or an entry form for a sweepstakes or contest. As shown, FIG. 19 illustrates an MPEG still which comprises a sweepstakes entry form which can be filled out by the user or viewer. The information entered by the viewer on the still image form is then transmitted by the interactive decoder to the transaction server to enter the viewer in the sweepstakes." There is no mention of the sweepstakes or contest being used as a reward for watching content, nor is there mention of the sweepstakes or contest being customized to a particular viewer. Claims 139-142 are thus allowable.

Concluding Remarks

Applicants believe the objections in the Office Action have been addressed and that the application is now in condition for allowance. The Examiner is invited to contact the undersigned by telephone should the Examiner believe that personal communication will expedite prosecution of this application.

Respectfully submitted,

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